

Message Text

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C O N F I D E N T I A L BUDAPEST 2582

FOR SCHMIDT FROM WILGIS

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E.O.11652: GDS
TAGS: OGEN
SUBJECT: OFFICIAL - INFORMAL

1. HERewith OUR THOUGHTS ON THE POSSIBLE ESTABLISHMENT OF A TRADE DEVELOPMENT OFFICE (TDO) IN BUDAPEST. WE AGREE THAT WE SHOULD DEVOTE INCREASED RESOURCES TO COMMERCIAL WORK IN HUNGARY. FOR THE REASONS OUTLINED BELOW WE NEED A DECISION SOON-EST ABOUT WHETHER A TDO WOULD BE LOCATED SEPARATE FROM THE CHANCERY. NEEDLESS TO SAY THIS IS A FACTOR WHICH SHOULD BE CONSIDERED IN BOTH OUR PROPERTY NEGOTIATIONS AND IN OUR PLANNING FOR RENOVATION OF THE CHANCERY.

2. LOCATION: WE HAVE PLANS TO EXPAND MODESTLY THE SPACE PRESENTLY OCCUPIED BY THE COMMERCIAL SECTION. FOR THIS WE NEED APPROVAL BY ICA OF ANNE KARRAS' PLANS FOR RELOCATING THE LIBRARY ENTRANCE. THIS CHANGE WOULD NOT, HOWEVER, BE COMPARABLE TO ESTABLISHING A TDO.

3. ONCE THE CHANCERY IS RENOVATED (APPROXIMATELY THREE YEARS AWAY) WE WILL BE ABLE TO ACCOMMODATE A FIRST-CLASS TDO IN THE CHANCERY ON ONE OF THE FIRST TWO FLOORS. AS YOU KNOW, WE WANT TO MOVE THE CON-

CONFIDENTIAL

PAGE 02 BUDAPE 02582 281009Z

SULATE, AND ICA (AND GREATLY EXPAND THE LATTER) ALSO TO THESE SAME TWO FLOORS, UTILIZING SEPARATE ENTRANCES WHERE NECESSARY WHILE MAINTAINING THE SECURITY OF THE EMBASSY. WE HAVE REQUESTED FBO TO DESIGN THE RENOVATION WITH THESE CHANGES IN MIND. WE BELIEVE THAT DESIGN CONSIDERATIONS SHOULD PLAY A KEY ROLE IN DETERMINING THE EXACT LOCATION OF THESE THREE OFFICES

SO THAT WE CAN MAKE MAXIMUM AND MOST EFFICIENT USE OF OUR SPACE. UNTIL THIS DESIGN WORK IS DONE, WE PREFER NOT TO EARMARK ANY PARTICULAR SPACE FOR ANY PARTICULAR SECTION.

4. IF COMMERCE WANTS TO LOCATE A TDO AWAY FROM THE CHANCERY, WE NEED TO KNOW THIS IMMEDIATELY FOR TWO REASONS: SO THAT COMMERCE'S WISHES NOT TO BE IN THE CHANCERY CAN BE TAKEN INTO ACCOUNT IN FBO'S DESIGN WORK, AND SO THAT WE CAN FACTOR A POSSIBLE OFF-SITE LOCATION INTO OUR PROPERTY NEGOTIATIONS. NEEDLESS TO SAY, IT WOULD BE RIDICULOUS TO SELL OUR EXCESS PROPERTY, AND THEN TURN AROUND AND RENT OFFICE SPACE FOR A TDO FROM THE GOH.

5. STAFFING: A TDO IN THE EMBASSY SHOULD BE STAFFED BY THE COMMERCIAL OFFICER, THE COMMERCIAL LOCAL, AND A NEW LOCAL COMMERCIAL SECRETARY. WE NEED THE SECRETARY IN ANY CASE AND HAVE SENT JIM MURRIN IN BEWT JUSTIFICATION FOR THIS NEW POSITION. A TDO LOCATED AWAY FROM THE EMBASSY WILL NEED THE SAME STAFFING. HOWEVER, IT WOULD BE MORE DIFFICULT FOR US TO SUPPLY IT BECAUSE, AT PRESENT, OUR COMMERCIAL WORK IS INTEGRATED INTO OUR ECONOMIC WORK AND BOTH OUR COMMERCIAL EMPLOYEES DO PERFORM SOME ECONOMIC WORK (AND OUR TWO ECONOMIC EMPLOYEES PERFORM SOME COMMERCIAL WORK).

6. FOR THE ABOVE REASONS, WE FAVOR A TDO IN
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PAGE 03 BUDAPE 02582 281009Z

THE CHANCERY. THE CHANCERY IS WELL LOCATED FOR COMMERCIAL WORK, BETTER LOCATED THAN AN OFF-SITE TDO WOULD BE LOCATED UTILIZING EITHER RENTED OR USG-OWNED PROPERTY. JIM GADSDEN HAS DETECTED SOME RELUCTANCE ON THE PART OF HUNGARIAN BUSINESSMEN TO COME TO THE EMBASSY AND BELIEVES MORE WOULD COME TO AN OFF-SITE TDO IF THE TDO CONTAINED OFFICE SPACE FOR U.S. BUSINESSMEN, EXHIBITION SPACE, AND COMMUNICATIONS FACILITIES. MARK LINTON IS JUSTIFIABLY CONCERNED ABOUT THE INEFFICIENCY OF AN OFF-SITE TDO, AS IS JIM TO SOME EXTENT.

7. IF YOU LIKE, WE CAN FORWARD OUR THINKING ABOUT POSSIBLE SITES FOR THE TDO AWAY FROM THE EMBASSY UTILIZING USG-OWNED PROPERTY. HOWEVER, ON BALANCE, WE BELIEVE BOTH THE EMBASSY AND COMMERCE WOULD BE BETTER OFF WITH A TDO IN THE CHANCERY AND BELIEVE WE CAN OFFER COMMERCE BETTER AND MORE ECONOMICAL FACILITIES IN ABOUT THREE YEARS THAN IT CAN HOPE TO OBTAIN AWAY FROM THE CHANCERY.
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